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S E C R E T UNVIE VIENNA 000156

SIPDIS

FOR D(S), P, T, IO, ISN

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TAGS: AORC PREL KNNP IAEA

SUBJECT: IAEA DG RACE: ECHAVARRI IN, PETRIC AND OTHERS
LIKELY; DIVISION MORE LIKELY THAN CONSENSUS

REF: A. UNVIE 151 AND PREVIOUS

1B. UNVIE 154

1C. STATE 34652

Classified By: Ambassador Gregory L. Schulte, 1.4 (b) and (d)

11. (S) Summary: IAEA DG ElBaradei on April 8 privately expressed regret that the first round of the selection process for his successor had cut, as he saw it, along North-South lines. He said Spain had formally nominated OECD nuclear agency chief Echavarri, Slovenia's nomination of Chief Justice Petric was expected the next day, a Malaysian nomination was expected, and Chile could follow suit. Another deadlock would not be good for the Agency, but ElBaradei thought an Amano-Echavarri race could be inconclusive. He viewed a consensus outcome as important for the Agency and appealed to the U.S. to endorse a candidate whom the P-5, China, India, South Africa and ultimately the whole Board would support. Mission judges the political divisions between member states are likely too great for a consensus solution of the sort ElBaradei seeks, particularly if we are to restore the low-profile, technocratic character of the position. A renewed run by South African Governor Minty is not yet to be ruled out. Apart from Ambassador's conversation with ElBaradei, we learned the Spanish nomination of Echavarri was a surprise to Spain's ambassador here, and that Belgium is contemplating a nomination of Jean-Pol Poncelet, a former Belgian Energy Minister, previously with Westinghouse and now with Areva, in the case of protracted impasse.

12. (C) Summary contd.: On the Iran and Syria verification issues, ElBaradei in a meeting with Ambassador said nothing new; he has, at this writing, no appointment to see President Asad when the latter visits Vienna. End summary.

DG Calls in Vain for Consensus

13. (S) During an April 8, 2009, office call devoted mostly to the issue of multilateral nuclear fuel assurances (ref B), IAEA Director General (DG) ElBaradei observed it was unfortunate that the first round of the selection process for

his successor had cut along North-South lines. Ambassador countered that groups across the Board - the P-5, Africa, Latin America, Asia - had split between Japanese candidate Amano and South Africa's Minty, and Amano had had developing country support. ElBaradei dismissed the analysis, saying "you know what kind" of developing countries had voted with Japan. ElBaradei confirmed that Spain had formally nominated Luis Echavarri, Director-General of the OECD Nuclear Energy Agency, for the IAEA post. The DG added that former Slovenian ambassador, Chief Justice Ernest Petric, had called him to confirm his country would nominate him, and that Malaysian former DDG Noramly Bin Muslim would be a formal candidate. ElBaradei and EXPO chief Cserveny speculated that Chile would likely put forward its current ambassador, Milenko Skoknic, who has told us he is seeking Santiago's endorsement.

¶4. (C) ElBaradei offered his own view that the job requires a unifier across North-South lines, one who understands both the policy and technology issues well, and a good manager. (Note: He did not clearly ascribe this resume to any of the known candidates. End note.) The DG expressed concern that further deadlock would be bad for the Agency and observed that having Echavarri in the race against Amano would make achieving a successful outcome in this coming round more difficult, as Spain had substantial relationships across Latin America, Africa, and of course within the EU.

¶5. (S) ElBaradei went on that an outcome in which India, China, Russia and South Africa are unhappy is not desirable for the Agency. South Africa was upset over the "North-South divide" that had characterized the race. Ambassador replied that the U.S. had viewed Minty's campaign as a dignified one, until his closing statement, and had told him so; that Minty's statement had perhaps magnified the North-South dimension; and that the North-South split had otherwise been the media's narrative. ElBaradei acknowledged this all but nevertheless appealed to the U.S. to seek a consensus candidate, taking the view that a DG elected with 24 votes would not be good for the Agency.

¶6. (S) In a one-on-one discussion, Ambassador Schulte expressed concern that the Secretariat, including its senior leadership, was playing too much in the DG race. The next phase promised to be more complex than the first, and potentially more divisive, and the Secretariat should not make it more so by playing favorites. ElBaradei said he could not keep Secretariat members from privately expressing their views on individual candidates, but he agreed to send the message that the Secretariat should act professionally and apolitically and keep out of the DG race.

Spanish Surprise

¶7. (C) After his meeting with ElBaradei, Ambassador received a call from Spanish Ambassador Jose Rosello Serra, who stated that Spain had nominated Echavarri for the IAEA DG race. Serra apologized on behalf of his Minister that Spain's decision had come out of sync with our bilateral exchanges on the issue. Serra said that the decision was a surprise to him. The MFA had not been interested when Echavarri's name had come up in the press. Spain had already decided to support Amano, PM Zapatero was not a great supporter of nuclear energy, and there was a major reshuffle taking place in the government. Speculating how Echavarri won GOS endorsement despite these factors, Serra noted Echavarri was close to the Minister of Industry and has the confidence of Spain's nuclear sector. Serra observed that Echavarri had a solid background, including experience as an operator (with Westinghouse), regulator (with Spain's Nuclear Safety Council), and as manager of an international organization (NEA for 12 years). He said that the USG had supported Echavarri to become NEA DG, and asserted we had sounded out Echavarri four years ago as a possible successor to ElBaradei at that time.

¶8. (C) Serra closed by saying he would inform Japanese

colleague Amano in person, and indicated he would be inviting Echavarri to Vienna to meet with regional groups and interested missions. (Note: Echavarri will also be in Beijing for the upcoming Ministerial, where he will have ample opportunity to network. End Note.)

And Not Shown on your Scorecard ...

¶19. (C) Prior to (and not figuring in) the ElBaradei conversation reported above, Ambassador was also phoned April 8 by Belgian MFA official Werner Bauwens, an acquaintance and colleague from the Ambassador's 1990s tenure at NATO.

Bauwens said his Foreign Minister was actively considering nominating a Belgian candidate if it became apparent that Japan's Amano could not win. Bauwens said that the possible candidate had a good mix of political and nuclear skills; he had studied nuclear physics, had worked for Belgonucleaire, then entered Belgian politics where he served as Minister of Energy, Minister of Defense, and Deputy Prime Minister. He worked for four years at the European Space Agency in Paris and now works as an executive at Areva on sustainable energy.

Bauwens declined to provide a name officially, but Ambassador determined that it is Jean-Pol Poncelet, a francophone from the Christian Democrat party.

¶110. (C) Bauwens said that he personally found the individual to be a strong candidate - not a diplomat like Amano or Minty, but a nuclear expert with strong political background and skills. His Foreign Minister had asked him to query a number of countries about their interest in a Belgian "fallback" candidate. He indicated that he would be talking to France and Russia, among others. If the U.S. or EU countries discouraged Belgium from moving forward, his Foreign Minister would probably take their advice. Bauwens went on that the FM did not want to take on Japan if Amano remained a viable candidate, and thus considered the Belgian candidate as someone to "keep up the sleeve" as a "fallback candidate."

¶111. (C) In terms of getting support, Bauwens noted that Belgium had good relations in Africa and that it would not automatically generate opposition from China, as Bauwens presumed Amano, as a Japanese, had done. He noted that Belgium had not had a senior position at the Agency since the departure of Pierre Goldschmidt, the DDG for Safeguards twice removed. He also noted that Belgium has taken a strong stance on nonproliferation and Iran. The Belgian government was postured to take a quick decision if it concluded it should go forward and would probably not nominate a candidate until late April.

24 Will Have to Do

¶112. (S) Comment: ElBaradei's gambit for a consensus candidate, which we may see reflected in procedural meandering by Board Chairwoman Feroukhi, would lead us into deeper impasse. ElBaradei wants the U.S. to galvanize all players by engineering the nomination of a global statesman who drives off the competition. This would be consistent with ElBaradei's but not our vision of the job. ElBaradei's own consensus election was possible in part because he was not a commanding political figure in 1997. Moreover, the political divisions between member states are severe -- over how to proceed on Iran, Syria, and the mission of safeguards verification generally; the relative importance of safeguards, security and safety versus technical cooperation; and linkage of the IAEA's technical nonproliferation mission to issues outside Vienna (e.g., Palestinian status, disarmament in the Middle East and globally).

¶113. (S) Comment contd.: Mission assesses that gaining two-thirds-majority support for a competent technocrat/manager remains our best hope for settling the leadership issue at the IAEA satisfactorily for U.S. interests and in a timely manner. We also cannot rule out the possibility that a prolonged impasse could build support

for a "draft Mohamed" campaign that would induce the DG to defer his retirement plans. Japan has shown it will devote diplomatic resources and offer incentives to secure Amano's support in excess of the campaigns that most other states, Spain included, may be able or willing to muster. Per ref C, Mission is taking soundings on Board members' views of other candidates as they declare, but the field is not yet complete and Japan clearly intends to secure and build on its front-runner status.

SCHULTE